

MAR 06 1990

DIVISION OF

USG Corporation

101 South Wacker Drive

Chicago, IL 60606-4385

312 606-4000

FAX: 312 606-4093



February 27, 1990

DOGM
MINERALS PROGRAM
FILE COPY

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MINERALS PROGRAM
FILE COPY

Ms. Pamela Littig
State of Utah
Department of Natural Resources
3 Triad Center
Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

Re: Mining Permit Number ACT/041/008 - United States Gypsum Company

Dear Ms. Littig:

This letter confirms our previous telephone conversation wherein we discussed the replacement of the First Interstate Letter of Credit No. held by the State of Utah as security for land reclamation on the Jumbo Jensen Quarry for which the above referenced permit has been issued.

Enclosed you will find Northern Trust Letter of Credit Number as a replacement of the First Interstate LOC. In addition, we are enclosing a new duly executed Collateral Bonding and Indemnity Agreement.

I would appreciate if you would return the original First Interstate LOC to me so we can cancel it direct with the Bank.

Your help in this matter is greatly appreciated and if you should have any questions, please call.

Very truly yours,

USG CORPORATION

Bruce A. Czul
Property Insurance Manager

BAC/kw
Enclosure
FEBRUARY/1

#187, D. A. Gartke

The Northern Trust Company
International Services

120 South Wacker Drive
Chicago, Illinois 60675
TELEPHONE: (312) 630-6000
S.W.I.F.T. ADDRESS: CNORUS44

IRREVOCABLE LETTER OF CREDIT

*Revised
CE&IA
form
returned to
operator for
corrections
(copy in
bind file)
3/22/90*

LETTER OF CREDIT NO.

DATE: FEBRUARY 22, 1990

BENEFICIARY

APPLICANT

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS & MINING
355 W. NORTH TEMPLE
3 TRIAD CENTER, # 350
SALT LAKE CITY, UT 84180-1203

U.S.G. CORPORATION
101 SOUTH WACKER DRIVE
CHICAGO, IL. 60606

L/C EXPIRATION DATE MAY 31, 1991

L/C AMOUNT UP TO

\$216,700.00

US DOLLAR

AMOUNT IN WORDS

US DOLLAR TWO HUNDRED SIXTEEN THOUSAND SEVEN HUNDRED AND 00/100

WE HEREBY ISSUE THIS LETTER OF CREDIT IN YOUR, THE BENEFICIARY'S, FAVOR WHICH IS AVAILABLE AGAINST YOUR DRAFTS AT SIGHT DRAWN ON THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS, BEARING THE NUMBER AND THE DATE OF THIS CREDIT AND THE NAME OF OUR BANK.

YOUR DRAFTS MUST BE ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

BENEFICIARY'S SIGNED STATEMENT AS FOLLOWS:

"UNITED STATES GYPSUM COMPANY HAS NOT PERFORMED AND FULFILLED ALL REQUIREMENTS UNDER THE UTAH MINED LAND RECLAMATION ACT UTAH CODE ANNOTATED, 40-8-1 AS AMENDED UNDER WHICH PERMIT NO. ACT/041/008 HAS BEEN ISSUED."

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE PRESENT EXPIRATION DATE OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS AT LEAST (90) DAYS PRIOR TO THE EXPIRATION DATE WE MAIL YOU OUR NOTICE, BY REGISTERED OR CERTIFIED MAIL, INFORMING YOU THAT THE LETTER OF CREDIT WILL NO LONGER BE AUTOMATICALLY RENEWED BEYOND THE THEN EXPIRATION DATE.

UPON RECEIPT OF SUCH NOTICE YOU MAY DRAW ON US HEREUNDER WITHIN THE THEN CURRENT EXPIRATION DATE OF THE CREDIT.

WE HEREBY ENGAGE WITH YOU THAT DRAFTS AND DOCUMENTS PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED IF PRESENTED AT OUR OFFICE ON OR BEFORE THE EXPIRATION DATE OF THE CREDIT.

(CONTINUED)

Charles W. Smith E. Abbasi
AUTHORIZED SIGNATURE(S)


The Northern Trust Company
International Services

125 South Wacker Drive
Chicago, Illinois 60675
TELEPHONE: (312) 630-6000
S.W.I.F.T. ADDRESS: CNORUS44

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EXCEPT TO THE EXTENT INCONSISTENT WITH THE EXPRESS TERMS HEREOF,
THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR
DOCUMENTARY CREDITS, 1983 REVISION, I.C.C. PUBLICATION NO. 400.

 E. Alhazni
AUTHORIZED SIGNATURE(S)